

POLICY ON RELATED PARTY TRANSACTIONS

1. Objective

This Policy has been formulated in terms of Section 177, 188 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder to regulate transactions between the Company and its related parties, to ensure proper approval and reporting of such transactions.

2. Definitions

- 2.1. **"Act"** means the Companies Act, 2013, and the rules framed thereunder, as amended from time to time.
- 2.2. **"Arm's Length Transaction"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- 2.3. **"Audit Committee"** means Committee of Board of Directors of the Company constituted as such pursuant to Section 177 of the Act.
- 2.4. **"Board"** means Board of Directors of the Company.
- 2.5. **"Policy"** means Policy on Related Party Transactions.
- 2.6. **"Related Party"** is a person or an entity as defined under Section 2(76) of the Act.
- 2.7. **"Transactions in the ordinary course of business"** mean transactions/activities that are connected to or necessary for the business of the Company and satisfy the following principles:
 - a) The transaction/activity is permitted under the Memorandum and the Articles of Association of the Company;
 - b) The transaction/activity is carried on a frequent or regular basis or is as per the industry practise; and
 - c) The terms of the transaction/activity are similar to those which would be otherwise applicable to transactions with unrelated parties.
- 2.8. **"Unforeseen Related Party Transaction"** means a Related Party Transaction, where the need for such transaction cannot be foreseen, the details whereof necessary for seeking an omnibus approval of the Audit Committee are not available and the value of such transaction does not exceed Rupees one crore per transaction.

3. Policy

3.1. Approval for Related Party Transactions

The Company shall enter into any Related Party Transaction subject to the following:

3.1.1. *Transactions requiring approval of Audit Committee:*

- 3.1.1.1. All Related Party Transactions shall require approval of the Audit Committee, except for transactions referred to in section 188 of the Act, to be entered into between the Company and its wholly owned subsidiary.
- 3.1.1.2. The Audit Committee may approve/ratify the Related Party Transactions subsequently, involving any amount not exceeding one crore rupees, within three months from the date of such transaction.

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3.1.2. *Transactions requiring approval of Board:*

Related Party Transactions as listed under Section 188 of the Act, which are not in the ordinary course of business or not at arm's length price shall require a prior approval of the Board.

3.1.3. *Transactions requiring approval of Shareholders of the Company:*

All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act, shall require an approval of the Shareholders by way of a resolution, except for transactions between the Company and its wholly owned subsidiary/(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting of the Company for approval.

3.1.4. *Transactions requiring approval of Audit Committee of Marico Limited, Holding Company:*

A related party transaction to which the Company is a party but the Marico Limited is not a party, may also be subject to approval of the Audit Committee of Marico Limited in terms of applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Marico Limited's Policy on Related Party Transactions.

3.1.5. *Deemed Approval*

The transactions or arrangements with a related party which are specifically dealt under the separate provisions of the Act and executed under separate approvals/procedures from relevant committee shall be deemed to be approved for the purpose of this Policy.

3.1.6. Approval & Review Mechanism:

3.1.6.1. The Audit Committee may grant omnibus approval for Related Party Transactions considering the repetitive nature of the transactions and the need of omnibus approval.

3.1.6.2. Such omnibus approvals shall be valid for one financial year. The Audit Committee shall, while granting such omnibus approvals, shall satisfy itself that such approval is in the interest of the company and shall contain or indicate the following:

- (i) Name of the related parties;
- (ii) Nature and duration of the transaction;
- (iii) Maximum amount of transaction that can be entered into;
- (iv) The indicative base price or current contracted price and the formula for variation in the price, if any; and
- (v) Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

3.1.6.3. The Audit Committee may grant an omnibus approval for Unforeseen Related Party Transactions, in a financial year.

3.1.6.4. The Audit Committee shall not grant omnibus approval for transactions in respect of selling or disposing of the undertaking of the Company.

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4. Review:

- 4.1. The Audit Committee shall review the Policy as and when deemed fit for making suitable amendments for better implementation of the Policy.
- 4.2. The Policy would be subject to revision/amendment in accordance with the Act. Any subsequent amendment(s)/ modification(s)/ circular(s)/ clarification(s)/ notification(s) in/under the Act or any other governing Act/Rules/Regulations or re-enactment thereof, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

Approved and recommended by Audit Committee on: September 9, 2024

Approved by the Board on: September 9, 2024

Effective date: September 9, 2024